Full Year Results for the Year Ending 31 December 2013

RECORD FINANCIAL RESULTS

Amsterdam, 22 April 2014

Nostrum Oil & Gas LP (LSE: NOG) ("Nostrum", or the "Partnership"), the oil and gas exploration and production partnership with assets in north-western Kazakhstan, today announces its full-year financial results for the twelve months ending 31 December 2013.

Highlights

- 21% increase in revenue to US$895m (2012: US$737m)
- 21% increase in EBITDA to US$551m (2012: US$457m)
- 35% increase in net income to US$220m (2012: US$162m)
- Closing cash balance of US$244m in cash and equivalents as at 31 December 2013
- 25% increase in total production (crude oil and GTF products) to more than 16.8m boe (2012:13.5m boe)
- Average production of 46,178 boepd for 2013

Frank Monstrey, Chairman of Nostrum Oil and Gas commented:

"2013 has been a phenomenal year for Nostrum. The team has delivered yet another set of record operational and financial results. Supported by our strong cash flow, we have continued to pursue our strategy of acquiring promising new licences, whilst also reinvesting in our future growth and returning cash to our shareholders. We are confident that we will continue to enhance shareholder value by achieving our target of doubling production by the end of 2016. At the same time, we will continue to monitor opportunities to add further reserves through selective M&A."

Kai-Uwe Kessel, CEO of Nostrum Oil and Gas commented:

"I am delighted with the operational and financial performance during 2013. Over the last twelve months we have continued to deliver on our targets. Importantly, we have also laid the operational foundations for the commissioning of the third train of our GTF facility, which is key to doubling our production on target in 2016. With all the construction contracts for the major long lead items now signed and detailed engineering and construction on-going at the site, we remain confident that this will be delivered on time and on budget"

Financial Update

Summary (all figures in US$m unless otherwise stated):

	FY 2013	FY 2012	FY2011	Change FY 12 to FY 13
Revenue	895	737	301	+ 21%
EBITDA (1)	551	457	188	+ 21%
EBITDA Margin	62%	62%	58%	+0 %
Net cash used in investing activities (2)	239	270	104	(6%)
Cash and Equivalents (3)	244	251	129	(3%)
Net Debt (4)	384	372	319	+3%
Net Income	220	162	82	+35%
Average Brent crude oil price on which Nostrum based its sales (US$/bbl)	108	107	107	+ 1%

(1) Defined as profit before tax net of non-recurring expenses, finance costs, foreign exchange loss/gain, ESOP, depreciation, interest income, other income and expenses.
(2) IFRS term based on indirect cash flow method
(3) Defined as cash and cash equivalents including restricted cash, current and non-current investments
(4) Defined as total debt minus cash and cash equivalents

Revenue for the year ended 31 December 2013 increased by US$158 million, or 21%, to US$895.0 million (2012: US$737.1 million), primarily due to the additional revenue generated by the increased production from the Gas Treatment Facility.

EBITDA in the year ended 31 December 2013 recorded a significant increase to US$551.5 million, a 21% increase over the equivalent period for 2012). The *EBITDA margin* remained constant at 62% in 2013 (2012: 62%). The Company's EBITDA margin continues to demonstrate that whilst revenue grows costs are being kept under control.

Cost of sales for the year ended 31 December 2013 increased by US$48 million, or 20%, to US$286.2 (2012: US$238.2 million), primarily due to an increase in production, depreciation, repair and maintenance, payroll expenses and materials and supplies driven by the commencement of operations at the GTF. On a boe basis, the cost of sales net of depreciation, government tax and road maintenance costs increased by US$0.40, or 6%, to US$5.70 in the year ended 31 December 2013 (2012: US$5.30).

General & administrative expenses in the year ended 31 December 2013 decreased by US$4.4 million, or 7%, to US$ 60.4 million (2012: US$64.9 million).

Profit before income tax increased by US$79.6 million, or 28%, to US$362.0 million in the year ended 31 December 2013 (2012: US$282.4 million). The higher profit was driven primarily by an increase in revenue due to higher GTF output.

Net income increased by US$57.5 million, or 35%, to US$219.5 million in the year ended 31 December 2013 (2012: US$162.0 million). This higher profitability was driven by higher revenue from increased production.

Operational Review

Production summary (all figures in barrels of oil equivalent unless otherwise stated):

	FY 2013	FY 2012	FY 2011	Change FY12 to FY 13
Total Production (Crude Oil + GTF Products)	16,854,970	13,483,100	4,802,670	+ 25%
Total Daily Average Production (Crude Oil + GTF products)	46,178	36,940	13,158	+ 25%

Product split (all figures in barrels of oil equivalent unless otherwise stated):

Products	2013 Average Production	2012 Average Production	2013 Average Product %
Crude Oil & Stabilised Condensate	19,384	15,764	42%
LPG (Liquid Petroleum Gas)	4,259	2,940	9%
Dry Gas	22,535	18,237	49%
TOTAL	**46,178**	**36,940**	**100%**

Total production (crude oil and GTF products) increased by 25% to 16,854,970 boe.
Total average daily production (crude oil and GTF products) in 2013 was 46,178 boepd.

Developments after the reporting period

Nostrum completes the first half of its planned hedging programme

In March 2013, Nostrum Group entered in to a hedge equating to production of 7,500 barrels of oil per day. The group used a zero cost capped collar with a floor price of US$85. The Group has covered the cost of the floor price by selling a call at US$112, this amount of upside given away has been capped by buying a call at US$118. There were no upfront costs to the company for this structure. The option has a two-year maturity and is settled annually. We plan to hedge a further 7,500 barrels of oil per day in the coming months.

Successful bond placing

In February 2013, Nostrum raised US$400m at 6.375% in the bond market. The tenor of the bond was 5 years and matures in February 2019. The bond was the lowest coupon in the Company's history and attracted accounts from across the world. Part of the proceeds went towards calling the remaining US$92.5m of 2015 bonds.

GTU3 update

The existing GTF facility continues to operate at capacity and the scheduled annual shutdown for 2013 was completed in 9 days, ensuring the plant is in excellent condition and compliant with applicable regulations and health and safety requirements.

Nostrum continued to progress towards the target to more than double 2013 production by the end of 2016. Infrastructure expansion remains key to supporting this growth, and the focus in 2014 and 2015 will be on the on-going work at the third train of the GTF.

Certain key milestones in the construction of the third train of the GTF have been achieved. Nostrum has appointed Ferrostaal Industrie Anlagen GmbH (Germany) and Rheinmetall International Engineering (a 50% subsidiary of Ferrostaal) as the project manager in charge of managing the engineering, procurement, construction and commissioning of the entire third train project on behalf of Nostrum's operating subsidiary Zhaikmunai LLP. The front-end engineering and design ("FEED") study, prepared by Lexington Group International (USA), has been the basis from which Ferrostaal's engineering team has developed the project since late 2012.

At present Nostrum has completed the procurement process by signing all the construction contracts for the major long lead items of GTU3. The total cost of these contracts is approximately US$118m. The completion of these contracts is in line with the current timetable for construction. It is anticipated that the plant will be completed and commissioned by mid-2016. The total cost is currently expected to be below US $500m.

Alternative listing update

Nostrum continues its previously announced preparatory legal and regulatory work in connection with a possible alternative listing. The company has appointed Deutsche Bank as its advisor in connection with this process. In conjunction with such possible alternative listing we requested a waiver of the State pre-emptive right and consent from the Ministry of Oil & Gas in Kazakhstan for a corporate reorganisation facilitating such a listing and on 30th December 2013 we obtained such waiver and consent. We currently intend to seek the approval of our limited partners for such corporate reorganisation in the first half of 2014 and to implement the reorganisation thereafter. Specific details of the proposed reorganisation will be communicated at a later date.

Attached documents
Attached to this press release are Nostrum's 2013 Consolidated Financial Statements, Annual Report and Management Report in accordance with the company's bond indenture.

Conference call
Nostrum's management team will be available for a presentation of Nostrum's 2013 Full-Year Results followed by a Q&A session for analysts and investors on Tuesday, April 22, 2014 at 13:00 UK time (GMT + 1).

If you would like to participate in this call, please register by email using the following email address:

ir@nog.co.uk. Please provide your ID details (name, title, company, email address and telephone number) in order to receive dial-in details.

Download Nostrum's 2013 Full-Year Results Presentation

Download Nostrum's 2013 annual financials

Further information

For further information please visit www.nog.co.uk

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About Nostrum Oil & Gas

Nostrum Oil & Gas is an independent oil and gas enterprise currently engaging in the production, development and exploration of oil and gas in north-western Kazakhstan. Its Global Depositary Receipts (GDRs) are listed on the London Stock Exchange (Ticker symbol: NOG). The principal producing asset of Nostrum Oil & Gas LP is the Chinarevskoye field, in which it holds a 100% interest and is the operator, through its wholly-owned subsidiary Zhaikmunai LLP. In addition, Nostrum Oil & Gas holds a 100% interest in and is the operator of the Rostoshinskoye, Darinskoye and Yuzhno-Gremyachenskoye oil and gas fields. Located in the pre-Caspian basin to the north-west of Uralsk, these exploration and development fields are approximately 60 and 120 kilometres respectively from the Chinarevskoye field.

Forward-Looking Statements

Some of the statements in this document are forward-looking. Forward-looking statements include statements regarding the intent, belief and current expectations of the Partnership or its officers with respect to various matters. When used in this document, the words "expects," "believes," "anticipates," "plans," "may," "will," "should" and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. Such statements are not promises or guarantees, and are subject to risks and uncertainties that could cause actual outcomes to differ materially from those suggested by any such statements.